

ESSB 6839 - CONF REPT  
By Conference Committee

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 46.68.035 and 2005 c 314 s 205 are each amended to  
4 read as follows:

5 All proceeds from combined vehicle licensing fees received by the  
6 director for vehicles licensed under RCW 46.16.070 and 46.16.085(~~, the~~  
7 ~~license fee under RCW 46.16.086, and the farm vehicle trip permit under~~  
8 ~~RCW 46.16.162)) shall be forwarded to the state treasurer to be  
9 distributed into accounts according to the following method:~~

10 (1) The sum of two dollars for each vehicle shall be deposited into  
11 the multimodal transportation account, except that for each vehicle  
12 registered by a county auditor or agent to a county auditor pursuant to  
13 RCW 46.01.140, the sum of two dollars shall be credited to the current  
14 county expense fund.

15 (2) The remainder and the proceeds from the license fee under RCW  
16 46.16.086 and the farm vehicle trip permit under RCW 46.16.162 shall be  
17 distributed as follows:

18 (a) (~~(24.00)~~) 22.36 percent shall be deposited into the state  
19 patrol highway account of the motor vehicle fund;

20 (b) (~~(1.8)~~) 1.375 percent shall be deposited into the Puget Sound  
21 ferry operations account of the motor vehicle fund;

22 (c) (~~(6.38)~~) 5.237 percent shall be deposited into the  
23 transportation 2003 account (nickel account); (~~and~~)

24 (d) (~~(On July 1, 2006, six million dollars shall be deposited into~~  
25 ~~the freight mobility investment account created in RCW 46.68.300 and~~  
26 ~~beginning on July 1, 2007, and every July 1st thereafter, three million~~  
27 ~~dollars shall be deposited into the freight mobility investment account~~  
28 ~~created in RCW 46.68.300;)) 11.533 percent shall be deposited into the  
29 transportation partnership account created in RCW 46.68.290; and~~

1 (e) The remaining proceeds shall be deposited into the motor  
2 vehicle fund.

3 **Sec. 2.** RCW 46.16.086 and 2005 c 314 s 203 are each amended to  
4 read as follows:

5 In lieu of the license tab fees provided in RCW 46.16.0621, private  
6 use single-axle trailers of two thousand pounds scale weight or less  
7 may be licensed upon the payment of a license fee in the sum of fifteen  
8 dollars, but only if the trailer is operated upon public highways. The  
9 license fee must be collected annually for each registration year or  
10 fraction of a registration year. This reduced license fee applies only  
11 to trailers operated for personal use of the owners, and not trailers  
12 held for rental to the public or used in any commercial or business  
13 endeavor. The proceeds from the fees collected under this section  
14 shall be distributed in accordance with RCW 46.68.035(2).

15 **Sec. 3.** RCW 46.16.162 and 2005 c 314 s 206 are each amended to  
16 read as follows:

17 (1) The owner of a farm vehicle licensed under RCW 46.16.090  
18 purchasing a monthly license under RCW 46.16.135 may, as an alternative  
19 to the first partial month of the license registration, secure and  
20 operate the vehicle under authority of a farm vehicle trip permit  
21 issued by this state. The licensed gross weight may not exceed eighty  
22 thousand pounds for a combination of vehicles nor forty thousand pounds  
23 for a single unit vehicle with three or more axles.

24 (2) If a monthly license previously issued has expired, the owner  
25 of a farm vehicle may, as an alternative to purchasing a full monthly  
26 license, secure and operate the vehicle under authority of a farm  
27 vehicle trip permit issued by this state. The licensed gross weight  
28 may not exceed eighty thousand pounds for a combination of vehicles nor  
29 forty thousand pounds for a single unit vehicle with three or more  
30 axles.

31 (3) Each farm vehicle trip permit shall authorize the operation of  
32 a single vehicle at the maximum legal weight limit for the vehicle for  
33 the period remaining in the first month of monthly license, commencing  
34 with the day of first use. No more than four such permits may be used  
35 for any one vehicle in any twelve-month period. Every permit shall  
36 identify, as the department may require, the vehicle for which it is

1 issued and shall be completed in its entirety and signed by the  
2 operator before operation of the vehicle on the public highways of this  
3 state. Correction of data on the permit such as dates, license number,  
4 or vehicle identification number invalidates the permit. The farm  
5 vehicle trip permit shall be displayed on the vehicle to which it is  
6 issued as prescribed by the department.

7 (4) Vehicles operating under authority of farm vehicle trip permits  
8 are subject to all laws, rules, and regulations affecting the operation  
9 of like vehicles in this state.

10 (5) Farm vehicle trip permits may be obtained from the department  
11 of licensing or agents and subagents appointed by the department. The  
12 fee for each farm vehicle trip permit is six dollars and twenty-five  
13 cents. Farm vehicle trip permits sold by the department's agents or  
14 subagents are subject to fees specified in RCW 46.01.140 (4)(a),  
15 (5)(b), or (6).

16 (6) The proceeds from farm vehicle trip permits received by the  
17 director shall be forwarded to the state treasurer to be distributed as  
18 provided in RCW 46.68.035(2).

19 (7) No exchange, credits, or refunds may be given for farm vehicle  
20 trip permits after they have been purchased.

21 (8) The department of licensing may adopt rules as it deems  
22 necessary to administer this section.

23 **Sec. 4.** RCW 46.68.135 and 2005 c 314 s 111 are each amended to  
24 read as follows:

25 ((Beginning)) By July 1, ((2007)) 2006, and each year thereafter,  
26 the state treasurer shall transfer ((five)) two and one-half million  
27 dollars from the multimodal account to the transportation  
28 infrastructure account created under RCW 82.44.190. The funds must be  
29 distributed for rail capital improvements only.

30 **Sec. 5.** RCW 46.68.290 and 2005 c 314 s 104 are each amended to  
31 read as follows:

32 (1) The transportation partnership account is hereby created in the  
33 state treasury. All distributions to the account from RCW 46.68.090  
34 must be deposited into the account. Money in the account may be spent  
35 only after appropriation. Expenditures from the account must be used  
36 only for projects or improvements identified as 2005 transportation

1 partnership projects or improvements in the omnibus transportation  
2 appropriations act, including any principal and interest on bonds  
3 authorized for the projects or improvements.

4 ~~(2) ((If a regional transportation plan has not been adopted by  
5 January 2007, the legislature intends to reprioritize allocation of  
6 funding for the projects identified on the 2005 transportation  
7 partnership project list so that complete and functioning  
8 transportation projects can be constructed in a reasonable time.~~

9 ~~(3) By January 1, 2006, the transportation performance audit board  
10 must develop performance measures and benchmarks for the evaluation of  
11 the expenditures of the transportation partnership account. The board  
12 must also develop an audit plan and schedule for audits of the  
13 performance of the department of transportation's delivery of the plan  
14 as defined by project list, schedule, and budget enacted by the  
15 legislature.~~

16 ~~(4))~~ The legislature finds that:

17 (a) Citizens demand and deserve accountability of transportation-  
18 related programs and expenditures. Transportation-related programs  
19 must continuously improve in quality, efficiency, and effectiveness in  
20 order to increase public trust;

21 (b) Transportation-related agencies that receive tax dollars must  
22 continuously improve the way they operate and deliver services so  
23 citizens receive maximum value for their tax dollars; and

24 (c) Fair, independent, comprehensive performance audits of  
25 transportation-related agencies overseen by the elected state auditor  
26 are essential to improving the efficiency, economy, and effectiveness  
27 of the state's transportation system.

28 ~~((+5))~~ (3) For purposes of chapter 314, Laws of 2005:

29 (a) "Performance audit" means an objective and systematic  
30 assessment of a state agency or agencies or any of their programs,  
31 functions, or activities by the state auditor or designee in order to  
32 help improve agency efficiency, effectiveness, and accountability.  
33 Performance audits include economy and efficiency audits and program  
34 audits.

35 (b) "Transportation-related agency" means any state agency, board,  
36 or commission that receives funding primarily for transportation-  
37 related purposes. At a minimum, the department of transportation, the  
38 transportation improvement board or its successor entity, the county

1 road administration board or its successor entity, and the traffic  
2 safety commission are considered transportation-related agencies. The  
3 Washington state patrol and the department of licensing shall not be  
4 considered transportation-related agencies under chapter 314, Laws of  
5 2005.

6 ~~((+6))~~ (4) Within the authorities and duties under chapter 43.09  
7 RCW, the state auditor shall establish criteria and protocols for  
8 performance audits. Transportation-related agencies shall be audited  
9 using criteria that include generally accepted government auditing  
10 standards as well as legislative mandates and performance objectives  
11 established by state agencies. Mandates include, but are not limited  
12 to, agency strategies, timelines, program objectives, and mission and  
13 goals as required in RCW 43.88.090.

14 ~~((+7))~~ (5) Within the authorities and duties under chapter 43.09  
15 RCW, the state auditor may conduct performance audits for  
16 transportation-related agencies. The state auditor shall contract with  
17 private firms to conduct the performance audits.

18 ~~((+8))~~ (6) The audits may include:

19 (a) Identification of programs and services that can be eliminated,  
20 reduced, consolidated, or enhanced;

21 (b) Identification of funding sources to the transportation-related  
22 agency, to programs, and to services that can be eliminated, reduced,  
23 consolidated, or enhanced;

24 (c) Analysis of gaps and overlaps in programs and services and  
25 recommendations for improving, dropping, blending, or separating  
26 functions to correct gaps or overlaps;

27 (d) Analysis and recommendations for pooling information technology  
28 systems used within the transportation-related agency, and evaluation  
29 of information processing and telecommunications policy, organization,  
30 and management;

31 (e) Analysis of the roles and functions of the transportation-  
32 related agency, its programs, and its services and their compliance  
33 with statutory authority and recommendations for eliminating or  
34 changing those roles and functions and ensuring compliance with  
35 statutory authority;

36 (f) Recommendations for eliminating or changing statutes, rules,  
37 and policy directives as may be necessary to ensure that the

1 transportation-related agency carry out reasonably and properly those  
2 functions vested in the agency by statute;

3 (g) Verification of the reliability and validity of transportation-  
4 related agency performance data, self-assessments, and performance  
5 measurement systems as required under RCW 43.88.090;

6 (h) Identification of potential cost savings in the transportation-  
7 related agency, its programs, and its services;

8 (i) Identification and recognition of best practices;

9 (j) Evaluation of planning, budgeting, and program evaluation  
10 policies and practices;

11 (k) Evaluation of personnel systems operation and management;

12 (l) Evaluation of purchasing operations and management policies and  
13 practices;

14 (m) Evaluation of organizational structure and staffing levels,  
15 particularly in terms of the ratio of managers and supervisors to  
16 nonmanagement personnel; and

17 (n) Evaluation of transportation-related project costs, including  
18 but not limited to environmental mitigation, competitive bidding  
19 practices, permitting processes, and capital project management.

20 ~~((+9))~~ (7) Within the authorities and duties under chapter 43.09  
21 RCW, the state auditor must provide the preliminary performance audit  
22 reports to the audited state agency for comment. The auditor also may  
23 seek input on the preliminary report from other appropriate officials.  
24 Comments must be received within thirty days after receipt of the  
25 preliminary performance audit report unless a different time period is  
26 approved by the state auditor. The final performance audit report  
27 shall include the objectives, scope, and methodology; the audit  
28 results, including findings and recommendations; the agency's response  
29 and conclusions; and identification of best practices.

30 ~~((+10))~~ (8) The state auditor shall provide final performance  
31 audit reports to the citizens of Washington, the governor, the joint  
32 legislative audit and review committee, ~~((the—transportation  
33 performance audit board,))~~ the appropriate legislative committees, and  
34 other appropriate officials. Final performance audit reports shall be  
35 posted on the internet.

36 ~~((+11))~~ (9) The audited transportation-related agency is  
37 responsible for follow-up and corrective action on all performance  
38 audit findings and recommendations. The audited agency's plan for

1 addressing each audit finding and recommendation shall be included in  
2 the final audit report. The plan shall provide the name of the contact  
3 person responsible for each action, the action planned, and the  
4 anticipated completion date. If the audited agency does not agree with  
5 the audit findings and recommendations or believes action is not  
6 required, then the action plan shall include an explanation and  
7 specific reasons.

8 The office of financial management shall require periodic progress  
9 reports from the audited agency until all resolution has occurred. The  
10 office of financial management is responsible for achieving audit  
11 resolution. The office of financial management shall annually report  
12 by December 31st the status of performance audit resolution to the  
13 appropriate legislative committees and the state auditor. The  
14 legislature shall consider the performance audit results in connection  
15 with the state budget process.

16 The auditor may request status reports on specific audits or  
17 findings.

18 ~~((+12+))~~ (10) For the period from July 1, 2005, until June 30,  
19 2007, the amount of \$4,000,000 is appropriated from the transportation  
20 partnership account to the state auditors office for the purposes of  
21 subsections ~~((+4+))~~ (2) through ~~((+11+))~~ (9) of this section.

22 ~~((+13+))~~ ~~When appointing the citizen members with performance~~  
23 ~~measurement expertise to the transportation performance audit board,~~  
24 ~~the governor shall appoint the state auditor, or his or her designee.~~

25 ~~(14) If the state auditor's financial audit of a transportation-~~  
26 ~~related agency implies that a performance audit is warranted, the~~  
27 ~~transportation performance audit board shall include in its annual work~~  
28 ~~plan the performance audit recommended by the state auditor.))~~

29 NEW SECTION. Sec. 6. A new section is added to chapter 46.68 RCW  
30 to read as follows:

31 (1) On July 1, 2006, and by each July 1st thereafter, the state  
32 treasurer shall transfer from the transportation partnership account  
33 created in RCW 46.68.290:

34 (a) One million dollars to the small city pavement and sidewalk  
35 account created in RCW 47.26.340;

36 (b) Two and one-half million dollars to the transportation  
37 improvement account created in RCW 47.26.084; and

1 (c) One and one-half million dollars to the county arterial  
2 preservation account created in RCW 46.68.090(2)(i).

3 (2) On July 1, 2006, the state treasurer shall transfer six million  
4 dollars from the transportation partnership account created in RCW  
5 46.68.290 into the freight mobility investment account created in RCW  
6 46.68.300 and by July 1, 2007, and by every July 1st thereafter, three  
7 million dollars shall be deposited into the freight mobility investment  
8 account.

9 NEW SECTION. **Sec. 7.** A new section is added to chapter 46.68 RCW  
10 to read as follows:

11 The freight mobility multimodal account is created in the state  
12 treasury. Money in the account may be spent only after appropriation.  
13 Expenditures from the account may be used only for freight mobility  
14 projects identified in the omnibus transportation appropriations act,  
15 including any principal and interest on bonds authorized for the  
16 projects or improvements.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 46.68 RCW  
18 to read as follows:

19 (1) The regional mobility grant program account is hereby created  
20 in the state treasury. Moneys in the account may be spent only after  
21 appropriation. Expenditures from the account may be used only for the  
22 grants provided under RCW 47.66.030.

23 (2) Beginning with September 2007, by the last day of September,  
24 December, March, and June of each year, the state treasurer shall  
25 transfer from the multimodal transportation account to the regional  
26 mobility grant program account five million dollars.

27 (3) Beginning with September 2015, by the last day of September,  
28 December, March, and June of each year, the state treasurer shall  
29 transfer from the multimodal transportation account to the regional  
30 mobility grant program account six million two hundred fifty thousand  
31 dollars.

32 **Sec. 9.** RCW 46.17.010 and 2005 c 314 s 201 are each amended to  
33 read as follows:

34 (1) There shall be paid and collected annually for motor vehicles  
35 subject to the fee under RCW 46.16.0621, except motor homes, a vehicle

1 weight fee. The amount of the fee shall be based upon the vehicle  
2 scale weight, which is correlated with vehicle size and roadway lane  
3 usage. Fees imposed under this section must be used for transportation  
4 purposes, and shall not be used for the general support of state  
5 government. The vehicle weight fee shall be that portion of the fee as  
6 reflected on the scale weight set forth in schedule B provided in RCW  
7 46.16.070 that is in excess of the fee imposed under RCW 46.16.0621.  
8 This fee is due at the time of initial and renewal of vehicle  
9 registration.

10 (2) If the resultant weight according to this section is not listed  
11 in schedule B provided in RCW 46.16.070, it shall be increased to the  
12 next higher weight pursuant to chapter 46.44 RCW.

13 (3) For the purpose of administering this section, the department  
14 shall rely on the vehicle empty scale weights as provided by vehicle  
15 manufacturers, or other sources defined by the department, to determine  
16 the weight of each vehicle. The department shall adopt rules for  
17 determining weight for vehicles without manufacturer empty scale  
18 weights.

19 (4) The vehicle weight fee under this section is imposed to provide  
20 funds to mitigate the impact of vehicle loads on the state roads and  
21 highways and is separate and distinct from other vehicle license fees.  
22 Proceeds from the fee may be used for transportation purposes, or for  
23 facilities and activities that reduce the number of vehicles or load  
24 weights on the state roads and highways.

25 (5) The vehicle weight fee collected under this section shall be  
26 deposited as follows:

27 (a) On July 1, 2006, six million dollars shall be deposited into  
28 the freight mobility (~~(investment)~~) multimodal account created in (~~RCW~~  
29 ~~46.68.300~~) section 7 of this act, and the remainder collected from  
30 (~~January 1, 2006~~) the effective date of this section, through June  
31 30, 2006, shall be deposited into the multimodal transportation  
32 account;

33 (b) Beginning July 1, 2007, and every July 1st thereafter, three  
34 million dollars shall be deposited into the freight mobility  
35 (~~(investment)~~) multimodal account created in (~~RCW 46.68.300~~) section  
36 7 of this act, and the remainder shall be deposited into the multimodal  
37 transportation account.

1           **Sec. 10.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005  
2 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are  
3 each reenacted and amended to read as follows:

4           (1) All earnings of investments of surplus balances in the state  
5 treasury shall be deposited to the treasury income account, which  
6 account is hereby established in the state treasury.

7           (2) The treasury income account shall be utilized to pay or receive  
8 funds associated with federal programs as required by the federal cash  
9 management improvement act of 1990. The treasury income account is  
10 subject in all respects to chapter 43.88 RCW, but no appropriation is  
11 required for refunds or allocations of interest earnings required by  
12 the cash management improvement act. Refunds of interest to the  
13 federal treasury required under the cash management improvement act  
14 fall under RCW 43.88.180 and shall not require appropriation. The  
15 office of financial management shall determine the amounts due to or  
16 from the federal government pursuant to the cash management improvement  
17 act. The office of financial management may direct transfers of funds  
18 between accounts as deemed necessary to implement the provisions of the  
19 cash management improvement act, and this subsection. Refunds or  
20 allocations shall occur prior to the distributions of earnings set  
21 forth in subsection (4) of this section.

22           (3) Except for the provisions of RCW 43.84.160, the treasury income  
23 account may be utilized for the payment of purchased banking services  
24 on behalf of treasury funds including, but not limited to, depository,  
25 safekeeping, and disbursement functions for the state treasury and  
26 affected state agencies. The treasury income account is subject in all  
27 respects to chapter 43.88 RCW, but no appropriation is required for  
28 payments to financial institutions. Payments shall occur prior to  
29 distribution of earnings set forth in subsection (4) of this section.

30           (4) Monthly, the state treasurer shall distribute the earnings  
31 credited to the treasury income account. The state treasurer shall  
32 credit the general fund with all the earnings credited to the treasury  
33 income account except:

34           (a) The following accounts and funds shall receive their  
35 proportionate share of earnings based upon each account's and fund's  
36 average daily balance for the period: The capitol building  
37 construction account, the Cedar River channel construction and  
38 operation account, the Central Washington University capital projects

1 account, the charitable, educational, penal and reformatory  
2 institutions account, the common school construction fund, the county  
3 criminal justice assistance account, the county sales and use tax  
4 equalization account, the data processing building construction  
5 account, the deferred compensation administrative account, the deferred  
6 compensation principal account, the department of retirement systems  
7 expense account, the developmental disabilities community trust  
8 account, the drinking water assistance account, the drinking water  
9 assistance administrative account, the drinking water assistance  
10 repayment account, the Eastern Washington University capital projects  
11 account, the education construction fund, the education legacy trust  
12 account, the election account, the emergency reserve fund, The  
13 Evergreen State College capital projects account, the federal forest  
14 revolving account, the freight mobility investment account, the freight  
15 mobility multimodal account, the health services account, the public  
16 health services account, the health system capacity account, the  
17 personal health services account, the state higher education  
18 construction account, the higher education construction account, the  
19 highway infrastructure account, the high-occupancy toll lanes  
20 operations account, the industrial insurance premium refund account,  
21 the judges' retirement account, the judicial retirement administrative  
22 account, the judicial retirement principal account, the local leasehold  
23 excise tax account, the local real estate excise tax account, the local  
24 sales and use tax account, the medical aid account, the mobile home  
25 park relocation fund, the multimodal transportation account, the  
26 municipal criminal justice assistance account, the municipal sales and  
27 use tax equalization account, the natural resources deposit account,  
28 the oyster reserve land account, the perpetual surveillance and  
29 maintenance account, the public employees' retirement system plan 1  
30 account, the public employees' retirement system combined plan 2 and  
31 plan 3 account, the public facilities construction loan revolving  
32 account beginning July 1, 2004, the public health supplemental account,  
33 the Puyallup tribal settlement account, the real estate appraiser  
34 commission account, the regional mobility grant program account, the  
35 regional transportation investment district account, the resource  
36 management cost account, the rural Washington loan fund, the site  
37 closure account, the small city pavement and sidewalk account, the  
38 special wildlife account, the state employees' insurance account, the

1 state employees' insurance reserve account, the state investment board  
2 expense account, the state investment board commingled trust fund  
3 accounts, the supplemental pension account, the Tacoma Narrows toll  
4 bridge account, the teachers' retirement system plan 1 account, the  
5 teachers' retirement system combined plan 2 and plan 3 account, the  
6 tobacco prevention and control account, the tobacco settlement account,  
7 the transportation infrastructure account, the transportation  
8 partnership account, the tuition recovery trust fund, the University of  
9 Washington bond retirement fund, the University of Washington building  
10 account, the volunteer fire fighters' and reserve officers' relief and  
11 pension principal fund, the volunteer fire fighters' and reserve  
12 officers' administrative fund, the Washington fruit express account,  
13 the Washington judicial retirement system account, the Washington law  
14 enforcement officers' and fire fighters' system plan 1 retirement  
15 account, the Washington law enforcement officers' and fire fighters'  
16 system plan 2 retirement account, the Washington school employees'  
17 retirement system combined plan 2 and 3 account, the Washington state  
18 health insurance pool account, the Washington state patrol retirement  
19 account, the Washington State University building account, the  
20 Washington State University bond retirement fund, the water pollution  
21 control revolving fund, and the Western Washington University capital  
22 projects account. Earnings derived from investing balances of the  
23 agricultural permanent fund, the normal school permanent fund, the  
24 permanent common school fund, the scientific permanent fund, and the  
25 state university permanent fund shall be allocated to their respective  
26 beneficiary accounts. All earnings to be distributed under this  
27 subsection (4)(a) shall first be reduced by the allocation to the state  
28 treasurer's service fund pursuant to RCW 43.08.190.

29 (b) The following accounts and funds shall receive eighty percent  
30 of their proportionate share of earnings based upon each account's or  
31 fund's average daily balance for the period: The aeronautics account,  
32 the aircraft search and rescue account, the county arterial  
33 preservation account, the department of licensing services account, the  
34 essential rail assistance account, the ferry bond retirement fund, the  
35 grade crossing protective fund, the high capacity transportation  
36 account, the highway bond retirement fund, the highway safety account,  
37 the motor vehicle fund, the motorcycle safety education account, the  
38 pilotage account, the public transportation systems account, the Puget

1 Sound capital construction account, the Puget Sound ferry operations  
2 account, the recreational vehicle account, the rural arterial trust  
3 account, the safety and education account, the special category C  
4 account, the state patrol highway account, the transportation 2003  
5 account (nickel account), the transportation equipment fund, the  
6 transportation fund, the transportation improvement account, the  
7 transportation improvement board bond retirement account, and the urban  
8 arterial trust account.

9 (5) In conformance with Article II, section 37 of the state  
10 Constitution, no treasury accounts or funds shall be allocated earnings  
11 without the specific affirmative directive of this section.

12 **Sec. 11.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005  
13 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are  
14 each reenacted and amended to read as follows:

15 (1) All earnings of investments of surplus balances in the state  
16 treasury shall be deposited to the treasury income account, which  
17 account is hereby established in the state treasury.

18 (2) The treasury income account shall be utilized to pay or receive  
19 funds associated with federal programs as required by the federal cash  
20 management improvement act of 1990. The treasury income account is  
21 subject in all respects to chapter 43.88 RCW, but no appropriation is  
22 required for refunds or allocations of interest earnings required by  
23 the cash management improvement act. Refunds of interest to the  
24 federal treasury required under the cash management improvement act  
25 fall under RCW 43.88.180 and shall not require appropriation. The  
26 office of financial management shall determine the amounts due to or  
27 from the federal government pursuant to the cash management improvement  
28 act. The office of financial management may direct transfers of funds  
29 between accounts as deemed necessary to implement the provisions of the  
30 cash management improvement act, and this subsection. Refunds or  
31 allocations shall occur prior to the distributions of earnings set  
32 forth in subsection (4) of this section.

33 (3) Except for the provisions of RCW 43.84.160, the treasury income  
34 account may be utilized for the payment of purchased banking services  
35 on behalf of treasury funds including, but not limited to, depository,  
36 safekeeping, and disbursement functions for the state treasury and  
37 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for  
2 payments to financial institutions. Payments shall occur prior to  
3 distribution of earnings set forth in subsection (4) of this section.

4 (4) Monthly, the state treasurer shall distribute the earnings  
5 credited to the treasury income account. The state treasurer shall  
6 credit the general fund with all the earnings credited to the treasury  
7 income account except:

8 (a) The following accounts and funds shall receive their  
9 proportionate share of earnings based upon each account's and fund's  
10 average daily balance for the period: The capitol building  
11 construction account, the Cedar River channel construction and  
12 operation account, the Central Washington University capital projects  
13 account, the charitable, educational, penal and reformatory  
14 institutions account, the common school construction fund, the county  
15 criminal justice assistance account, the county sales and use tax  
16 equalization account, the data processing building construction  
17 account, the deferred compensation administrative account, the deferred  
18 compensation principal account, the department of retirement systems  
19 expense account, the developmental disabilities community trust  
20 account, the drinking water assistance account, the drinking water  
21 assistance administrative account, the drinking water assistance  
22 repayment account, the Eastern Washington University capital projects  
23 account, the education construction fund, the education legacy trust  
24 account, the election account, the emergency reserve fund, The  
25 Evergreen State College capital projects account, the federal forest  
26 revolving account, the freight mobility investment account, the freight  
27 mobility multimodal account, the health services account, the public  
28 health services account, the health system capacity account, the  
29 personal health services account, the state higher education  
30 construction account, the higher education construction account, the  
31 highway infrastructure account, the high-occupancy toll lanes  
32 operations account, the industrial insurance premium refund account,  
33 the judges' retirement account, the judicial retirement administrative  
34 account, the judicial retirement principal account, the local leasehold  
35 excise tax account, the local real estate excise tax account, the local  
36 sales and use tax account, the medical aid account, the mobile home  
37 park relocation fund, the multimodal transportation account, the  
38 municipal criminal justice assistance account, the municipal sales and

1 use tax equalization account, the natural resources deposit account,  
2 the oyster reserve land account, the perpetual surveillance and  
3 maintenance account, the public employees' retirement system plan 1  
4 account, the public employees' retirement system combined plan 2 and  
5 plan 3 account, the public facilities construction loan revolving  
6 account beginning July 1, 2004, the public health supplemental account,  
7 the public works assistance account, the Puyallup tribal settlement  
8 account, the real estate appraiser commission account, the regional  
9 mobility grant program account, the regional transportation investment  
10 district account, the resource management cost account, the rural  
11 Washington loan fund, the site closure account, the small city pavement  
12 and sidewalk account, the special wildlife account, the state  
13 employees' insurance account, the state employees' insurance reserve  
14 account, the state investment board expense account, the state  
15 investment board commingled trust fund accounts, the supplemental  
16 pension account, the Tacoma Narrows toll bridge account, the teachers'  
17 retirement system plan 1 account, the teachers' retirement system  
18 combined plan 2 and plan 3 account, the tobacco prevention and control  
19 account, the tobacco settlement account, the transportation  
20 infrastructure account, the transportation partnership account, the  
21 tuition recovery trust fund, the University of Washington bond  
22 retirement fund, the University of Washington building account, the  
23 volunteer fire fighters' and reserve officers' relief and pension  
24 principal fund, the volunteer fire fighters' and reserve officers'  
25 administrative fund, the Washington fruit express account, the  
26 Washington judicial retirement system account, the Washington law  
27 enforcement officers' and fire fighters' system plan 1 retirement  
28 account, the Washington law enforcement officers' and fire fighters'  
29 system plan 2 retirement account, the Washington public safety  
30 employees' plan 2 retirement account, the Washington school employees'  
31 retirement system combined plan 2 and 3 account, the Washington state  
32 health insurance pool account, the Washington state patrol retirement  
33 account, the Washington State University building account, the  
34 Washington State University bond retirement fund, the water pollution  
35 control revolving fund, and the Western Washington University capital  
36 projects account. Earnings derived from investing balances of the  
37 agricultural permanent fund, the normal school permanent fund, the  
38 permanent common school fund, the scientific permanent fund, and the

1 state university permanent fund shall be allocated to their respective  
2 beneficiary accounts. All earnings to be distributed under this  
3 subsection (4)(a) shall first be reduced by the allocation to the state  
4 treasurer's service fund pursuant to RCW 43.08.190.

5 (b) The following accounts and funds shall receive eighty percent  
6 of their proportionate share of earnings based upon each account's or  
7 fund's average daily balance for the period: The aeronautics account,  
8 the aircraft search and rescue account, the county arterial  
9 preservation account, the department of licensing services account, the  
10 essential rail assistance account, the ferry bond retirement fund, the  
11 grade crossing protective fund, the high capacity transportation  
12 account, the highway bond retirement fund, the highway safety account,  
13 the motor vehicle fund, the motorcycle safety education account, the  
14 pilotage account, the public transportation systems account, the Puget  
15 Sound capital construction account, the Puget Sound ferry operations  
16 account, the recreational vehicle account, the rural arterial trust  
17 account, the safety and education account, the special category C  
18 account, the state patrol highway account, the transportation 2003  
19 account (nickel account), the transportation equipment fund, the  
20 transportation fund, the transportation improvement account, the  
21 transportation improvement board bond retirement account, and the urban  
22 arterial trust account.

23 (5) In conformance with Article II, section 37 of the state  
24 Constitution, no treasury accounts or funds shall be allocated earnings  
25 without the specific affirmative directive of this section.

26 **Sec. 12.** RCW 46.68.080 and 1961 c 12 s 46.68.080 are each amended  
27 to read as follows:

28 ~~((All))~~ (1) Motor vehicle license fees ((and all motor vehicle))  
29 collected under RCW 46.16.0621 and 46.16.070 and fuel taxes collected  
30 under RCW 82.36.025(1) and 82.38.030(1) and directly or indirectly paid  
31 by the residents of those counties composed entirely of islands and  
32 which have neither a fixed physical connection with the mainland nor  
33 any state highways on any of the islands of which they are composed,  
34 shall be paid into the motor vehicle fund of the state of Washington  
35 and shall monthly, as they accrue, and after deducting therefrom the  
36 expenses of issuing such licenses and the cost of collecting such

1 ((~~motor~~)) vehicle fuel tax, be paid to the county treasurer of each  
2 such county to be by him disbursed as hereinafter provided.

3 (2) One-half of ((~~all~~)) the motor vehicle license fees ((~~and motor~~  
4 vehiele)) collected under RCW 46.16.0621 and 46.16.070 and one-half of  
5 the fuel taxes collected under RCW 82.36.025(1) and 82.38.030(1) and  
6 directly or indirectly paid by the residents of those counties composed  
7 entirely of islands and which have either a fixed physical connection  
8 with the mainland or state highways on any of the islands of which they  
9 are composed, shall be paid into the motor vehicle fund of the state of  
10 Washington and shall monthly, as they accrue, and after deducting  
11 therefrom the expenses of issuing such licenses and the cost of  
12 collecting such motor vehicle fuel tax, be paid to the county treasurer  
13 of each such county to be by him disbursed as hereinafter provided.

14 (3) All funds paid to the county treasurer of the counties of  
15 either class ((~~above~~)) referred to ((~~as in this section provided~~)) in  
16 subsections (1) and (2) of this section, shall be by such county  
17 treasurer distributed and credited to the several road districts of  
18 each such county and paid to the city treasurer of each incorporated  
19 city and town within each such county, in the direct proportion that  
20 the assessed valuation of each such road district and incorporated city  
21 and town shall bear to the total assessed valuation of each such  
22 county.

23 (4) The amount of motor vehicle fuel tax paid by the residents of  
24 those counties composed entirely of islands shall, for the purposes of  
25 this section, be that percentage of the total amount of motor vehicle  
26 fuel tax collected in the state that the motor vehicle license fees  
27 paid by the residents of counties composed entirely of islands bears to  
28 the total motor vehicle license fees paid by the residents of the  
29 state.

30 (5)(a) An amount of fuel taxes shall be deposited into the Puget  
31 Sound ferry operations account. This amount shall equal the difference  
32 between the total amount of fuel taxes collected in the state under RCW  
33 82.36.020 and 82.38.030 less the total amount of fuel taxes collected  
34 in the state under RCW 82.36.020(1) and 82.38.030(1) and be multiplied  
35 by a fraction. The fraction shall equal the amount of motor vehicle  
36 license fees collected under RCW 46.16.0621 and 46.16.070 from counties  
37 described in subsection (1) of this section divided by the total amount

1 of motor vehicle license fees collected in the state under RCW  
2 46.16.0621 and 46.16.070.

3 (b) An additional amount of fuel taxes shall be deposited into the  
4 Puget Sound ferry operations account. This amount shall equal the  
5 difference between the total amount of fuel taxes collected in the  
6 state under RCW 82.36.020 and 82.38.030 less the total amount of fuel  
7 taxes collected in the state under RCW 82.36.020(1) and 82.38.030(1)  
8 and be multiplied by a fraction. The fraction shall equal the amount  
9 of motor vehicle license fees collected under RCW 46.16.0621 and  
10 46.16.070 from counties described in subsection (2) of this section  
11 divided by the total amount of motor vehicle license fees collected in  
12 the state under RCW 46.16.0621 and 46.16.070, and this shall be  
13 multiplied by one-half.

14 NEW SECTION. Sec. 13. Section 10 of this act expires July 1,  
15 2006.

16 NEW SECTION. Sec. 14. Section 11 of this act takes effect July 1,  
17 2006.

18 NEW SECTION. Sec. 15. Section 1 of this act applies to license  
19 fees due on or after July 1, 2006.

20 NEW SECTION. Sec. 16. Section 7 of this act is necessary for the  
21 immediate preservation of the public peace, health, or safety, or  
22 support of the state government and its existing public institutions,  
23 and takes effect March 24, 2006."

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By Conference Committee

24 On page 1, line 2 of the title, after "distributions;" strike the  
25 remainder of the title and insert "amending RCW 46.68.035, 46.16.086,

1 46.16.162, 46.68.135, 46.68.290, 46.17.010, and 46.68.080; reenacting  
2 and amending RCW 43.84.092 and 43.84.092; adding new sections to  
3 chapter 46.68 RCW; creating a new section; providing effective dates;  
4 providing an expiration date; and declaring an emergency."

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